



General Assembly

January Session, 2003

Committee Bill No. 6116

LCO No. 4688

Referred to Committee on Human Services

Introduced by:
(HS)

AN ACT PROVIDING FOR A FINANCIAL INCENTIVE TO PRIVATE OWNERS OF COMMUNITY GROUP HOMES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 17b-244 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2003*):

3 (a) The room and board component of the rates to be paid by the
4 state to private facilities and facilities operated by regional education
5 service centers which are licensed to provide residential care pursuant
6 to section 17a-227, but not certified to participate in the Title XIX
7 Medicaid program as intermediate care facilities for persons with
8 mental retardation, shall be determined annually by the Commissioner
9 of Social Services, except that rates effective April 30, 1989, shall
10 remain in effect through October 31, 1989. Any facility with real
11 property other than land placed in service prior to July 1, 1991, shall,
12 for the fiscal year ending June 30, 1995, receive a rate of return on real
13 property equal to the average of the rates of return applied to real
14 property other than land placed in service for the five years preceding
15 July 1, 1993. For the fiscal year ending June 30, 1996, and any
16 succeeding fiscal year, the rate of return on real property for property

17 items shall be revised every five years. The commissioner shall, upon
18 submission of a request by such facility, allow actual debt service,
19 comprised of principal and interest, on the loan or loans in lieu of
20 property costs allowed pursuant to section 17-313b-5 of the regulations
21 of Connecticut state agencies, whether actual debt service is higher or
22 lower than such allowed property costs, provided such debt service
23 terms and amounts are reasonable in relation to the useful life and the
24 base value of the property. In the case of facilities financed through the
25 Connecticut Housing Finance Authority, the commissioner shall allow
26 actual debt service, comprised of principal, interest and a reasonable
27 repair and replacement reserve on the loan or loans in lieu of property
28 costs allowed pursuant to section 17-313b-5 of the regulations of
29 Connecticut state agencies, whether actual debt service is higher or
30 lower than such allowed property costs, provided such debt service
31 terms and amounts are determined by the commissioner at the time
32 the loan is entered into to be reasonable in relation to the useful life
33 and base value of the property. The commissioner may allow fees
34 associated with mortgage refinancing provided such refinancing will
35 result in state reimbursement savings, after comparing costs over the
36 terms of the existing and proposed loans. For the fiscal year ending
37 June 30, 1992, the inflation factor used to determine rates shall be one-
38 half of the gross national product percentage increase for the period
39 between the midpoint of the cost year through the midpoint of the rate
40 year. For fiscal year ending June 30, 1993, the inflation factor used to
41 determine rates shall be two-thirds of the gross national product
42 percentage increase from the midpoint of the cost year to the midpoint
43 of the rate year. For the fiscal years ending June 30, 1996, and June 30,
44 1997, no inflation factor shall be applied in determining rates. The
45 Commissioner of Social Services shall prescribe uniform forms on
46 which such facilities shall report their costs. Such rates shall be
47 determined on the basis of a reasonable payment for necessary
48 services. Any increase in grants, gifts, fund-raising or endowment
49 income used for the payment of operating costs by a private facility in
50 the fiscal year ending June 30, 1992, shall be excluded by the

51 commissioner from the income of the facility in determining the rates
52 to be paid to the facility for the fiscal year ending June 30, 1993,
53 provided any operating costs funded by such increase shall not
54 obligate the state to increase expenditures in subsequent fiscal years.
55 Nothing contained in this section shall authorize a payment by the
56 state to any such facility in excess of the charges made by the facility
57 for comparable services to the general public. The service component
58 of the rates to be paid by the state to private facilities and facilities
59 operated by regional education service centers which are licensed to
60 provide residential care pursuant to section 17a-227, but not certified
61 to participate in the Title XIX Medicaid programs as intermediate care
62 facilities for persons with mental retardation, shall be determined
63 annually by the Commissioner of Mental Retardation.

64 (b) The Commissioner of Social Services and the Commissioner of
65 Mental Retardation shall adopt regulations, in accordance with the
66 provisions of chapter 54, to implement the provisions of this section.

This act shall take effect as follows:	
Section 1	July 1, 2003

Statement of Purpose:

To provide a financial incentive to owners of certain state subsidized residential care facilities seeking to refinance an existing mortgage, provided the Commissioner of Social Services determines that such refinancing will result in state reimbursement savings over the term of the loan.

Co-Sponsors: REP. RUWET, 65th Dist.

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